

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04
NSAE-00 PA-01 SIL-01 USIA-06 PRS-01 CU-02 L-03
SS-15 NSC-05 AGRE-00 OMB-01 TRSE-00 /063 W
-----060839Z 040824 /15
R 060745Z MAY 77
FM USLO PEKING
TO SECSTATE WASHDC 7751
INFO AMCONSUL HONG KONG

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E.O. 11652: N/A
TAGS: ETRD US CH
SUBJ: US BUSINESS VISITORS TO PRC IN APRIL

REF: A) PEKING 838, B) PEKING 652, C) PEKING 713

1. INTRODUCTION AND SUMMARY. AMERICAN BUSINESSMEN CONTINUED TO VISIT THE PRC IN MODERATE NUMBERS IN EARLY APRIL BEFORE THE MAIN FOCUS OF BUSINESS ACTIVITY SHIFTED TO THE CANTON FAIR (REF A). VISITORS ALMOST UNANIMOUSLY HAVE FOUND A SIGNIFICANTLY IMPROVED ATMOSPHERE FOR DISCUSSIONS AND NEGOTIATIONS OVER 1976. CHINESE NEGOTIATORS GENERALLY APPEAR MORE RELAXED AND WILLING TO DISCUSS THE SPECIFIC NEEDS OF INDIVIDUAL COMPANIES IN SUCH AREAS AS PACKAGING, LABELING, TESTING, INSPECTION, ETC. WHILE CHINESE OFFICIALS CONTINUE TO EXPRESS INTEREST IN THE PURCHASE OF WHOLE PLANTS, EQUIPMENT, AND MACHINERY, LARGE CONTRACTS ARE NOT YET BEING SIGNED.

2. DURING APRIL THE PRC HOSTED DELEGATIONS FROM THE SUPERIOR OIL COMPANY, THE NEW
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YORK BOARD OF DIRECTORS OF THE BANK OF AMERICA, AND THE IMPORTERS STEERING COMMITTEE OF THE NATIONAL COUNCIL FOR US-CHINA TRADE. THE INTERNATIONAL CORPORATION OF AMERICA REACHED AGREEMENT ON THE SETTLEMENT OF PRC CLAIMS AGAINST BUCYRUS-ERIE, WHILE WJS CONCLUDED

CONTRACTS FOR THE SALE OF MORE THAN \$6 MILLION OF COMMODITIES. A VARIETY OF AMERICAN IMPORTERS DISCUSSED TEXTILES, HANDICRAFTS, AND CARPETS. END SUMMARY.

3. SUPERIOR OIL COMPANY: HOWARD KECK, PRESIDENT, LED A SMALL DELEGATION, INCLUDING TWO MEMBERS OF THE BOARD OF DIRECTORS AS WELL AS A PROFESSIONAL GEOLOGIST, TO PEKING IN EARLY APRIL FOR DISCUSSIONS WITH THE FOREIGN TRADE CORPORATIONS AND THE MINISTRY OF PETROLEUM AND CHEMICALS INDUSTRIES (REF B). THEY ALSO VISITED THE SHENG LI OIL FIELD. WE DO NOT KNOW THE SPECIFIC BUSINESS WHICH BROUGHT THEM HERE.

4. BANK OF AMERICA: A SIXTEEN-MEMBER DELEGATION OF THE NEW YORK BOARD OF DIRECTORS OF THE BANK VISITED PEKING APRIL 29 - MAY 4 AFTER HOLDING CORPORATE MEETINGS IN TOKYO. ALTHOUGH SPONSORED BY CHINA TRAVEL SERVICE, THE GROUP MET WITH OFFICIALS OF THE BANK OF CHINA AND THE CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE. THE GROUP PLANNED TO HOLD DISCUSSIONS AT THE CANTON FAIR ON ITS WAY TO HONG KONG.

5. NATIONAL COUNCIL FOR US-CHINA TRADE: A DELEGATION FROM THE IMPORTERS' STEERING LIMITED OFFICIAL USE

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COMMITTEE OF THE COUNCIL HELD DISCUSSIONS IN GUKING AND SHANGHAI IN EARLY APRIL ON CHINESE EXPORTS TO THE US (REF C). THE GROUP WAS PLEASED WITH ITS MEETINGS AND FELT THAT PROGRESS HAD BEEN MADE IN RESOLVING SOME OF THE PROBLEMS THEY HAVE HAD IN TRADING WITH THE PRC.

6. INTERNATIONAL CORPORATION OF AMERICA: C.J. WANG, PRESIDENT, ALONG WITH REPRESENTATIVES OF BUCYRUS-ERIE HELD DETAILED DISCUSSIONS WITH MACHIMPEX ON PRC CLAIMS OF DAMAGED EQUIPMENT AND MISSING PARTS FOR BE EXCAVATORS AND BLAST-HOLD DRILLS. AGREEMENT WAS REACHED AND WANG BELIEVES THAT THIS NOW PAVES THE WAY FOR ADDITIONAL SALES. WANG ALSO REPRESENTS INGERSOLL-RAND AND IS CLOSE TO SIGNING A CONTRACT FOR THE SALE OF A LARGE COMPRESSOR. INGERSOLL PLANS TO SEND A TECHNICAL TEAM

TO PEKING IN THE NEAR FUTURE TO DISCUSS
FINAL DETAILS.

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7. WJS: PAUL SPELTZ, DURING HIS MONTH-
LONG VISIT TO PEKING, SIGNED CONTRACTS
TOTALING OVER SIX MILLION DOLLARS FOR
THE SALE OF COMMODITIES SUCH AS PULP,
PACKAGING MATERIALS AND NEWSPRINT. WJS
PRESENTLY HAS UNDER NEGOTIATION AN
ADDITIONAL SEVERN MILLION DOLLARS FOR
UREA, VARIOUS PACKING MATERIALS, MACHINE
TOOLS, OIL FIELD EQUIPMENT AND MEDICAL
INSTRUMENTS. IN HIS DISCUSSION WITH
MACHIMPEX ON THE SALE OF MACHINE TOOLS,
SPELTZ SAID HE WAS TRATED TO A STERN
LECTURE ON THE U.S. DENIAL OF AN
EXPORT LICENSE FOR THE SUNDSTRAND FIVE-
AXIS MACHINING CENTER. HE WAS TOLD THAT
IF THE UNITED STATES CONTINUES TO BLOCK
THE SALE OF SUCH EQUIPMENT, CHINA WILL TURN
TO OTHER WESTERN SUPPLIERS.

8. FORNEY INTERNATIONAL: DONALD LIN,
PRESIDENT, WAS IN PEKING TO DISCUSS WITH
THE MACHINERY CORPORATION THE SALE OF A WIDE
VARIETY OF ENGINEERING PRODUCTS AND
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TECHNOLOGY. LIN IS PRESENTING A PROPOSAL FOR THE PIPELINE TRANSPORT OF A MIXTURE OF POWDERED COAL AND PETROLEUM. FORNEY HAS NOT PREVIOUSLY DONE ANY BUSINESS WITH THE PRC.

9. INTERNATIONAL BUSINESS SERVICE: MR. AND MRS. JAMES FRANK VISITED THE CANTON, SHANGHAI AND PEKING BRANCHES OF THE LIGHT INDUSTRY CORPORATION TO BUY ANTIQUE JEWELRY FOR MRS. FRANK'S JEWELRY BUSINESS. THIS IS THEIR FIRST VISIT TO CHINA. WHILE IN PEKING, MR. FRANK DISCUSSED WITH THE CHEMICAL CORPORATION THE SALE OF A HEART DEFIBRILLATING MACHINE AND WITH MACHIMPEX A NEWLY PRODUCED PRESERVATIVE FOR THE PROTECTION OF PIPELINES.

10. YARING'S: MR. AND MRS. LEON SCHMIDT OF DALLAS, TEXAS, BOUGHT SMALL QUANTITIES OF FASHION FABRICS FOR USE IN THEIR TEXAS BUSINESS. THEY HAVE PREVIOUSLY DONE THEIR BUSINESS AT THE CANTON FAIR.

11. TRANS-OCEAN IMPORT COMPANY: CHARLES ROSTOV, PRESIDENT, VISITED PEKING FOR SEVERAL DAYS TO HOLD DISCUSSIONS WITH THE NATIVE PRODUCE CORPORATION BEFORE TRAVELING TO THE CANTON FAIR. ROSTOV IS A LARGE IMPORTER OF CHINESE CARPETS. HE WAS INVITED TO VISIT TSINGTAO TO INSPECT A CARPET FACTORY AS WELL AS RUGS WHICH WILL BE CONSIGNED TO HIM.

12. HERCULES CORPORATION: HERCULES REPRESENTATIVE CLEAVER VISITED PEKING TO NEGOTIATE CONTRACTS FOR THE PURCHASE OF PRC RESIN AND TURPENTINE. THE COMPANY LIMITED OFFICIAL USE

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IS A LARGE VOLUME PURCHASER OF THESE PRC PRODUCTS AND LAST YEAR IMPORTS WERE IN THE "SEVERAL MILLION DOLLAR" RANGE.

13. MAY LEE INDUSTRIES: DAVID BUCKSBAUM, PRESIDENT, AND PAMELA OWEN, VICE PRESIDENT, WERE INTERESTED IN THE PURCHASE OF A VARIETY OF CHINESE PRODUCTS BUT ON THIS TRIP CONCENTRATED ON TEXTILES. THEY WERE

UNCERTAIN HOW MANY CONTRACTS THEY WOULD
EVENTUALLY SIGN BECAUSE OF PRICE INCREASES
IN SOL LINES.

14. THIS MESSAGE CONTAINS COMMERCIALY
SENSITIVE INFORMATION WHICH SHOULD NOT
BE DISCUSSED OUTSIDE THE USG.
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Message Attributes

Automatic Decaptioning: X
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Concepts: BUSINESSMEN, NEGOTIATIONS
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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